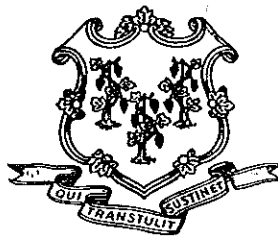


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March 13, 2014

Good Afternoon Senator LeBeau, Representative Perone and members of the Commerce Committee. I am here today to testify in support of SB 75 AN ACT INCREASING THE ANNUAL CAP ON THE NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT PROGRAM and to comment on SB 420 AN ACT EXTENDING THE MANUFACTURING APPRENTICESHIP AND NEIGHBORHOOD ASSISTANCE ACT TAX CREDITS TO PASS-THROUGH ENTITIES.

The NAA Tax Credit Program provides a tax credit to business firms that make cash investments in qualifying community programs conducted by tax exempt or municipal organizations. The community programs must be approved by both the municipality in which the programs are conducted and by the Department of Revenue Services. The expenditures under this program are currently capped at \$5 million. Due to the extraordinary success of this program, businesses have made contributions that would significantly exceed this cap and thus the credits have been prorated. Proration diminishes the benefit to the corporations taking part in the program and thus makes it more difficult for the non-profits to find businesses willing to make contributions to them through this program. SB 75 would increase the cap to \$10 million which should allow the corporations to receive the full credit. This increase would benefit many communities in our state. SB 420 would expand the types of businesses that could apply for credits under the NAA. While this expansion could have a potential positive impact, I believe that this change should wait until it is clear that there is room under the increased cap to fund tax credits for these entities as well. Thank you for hearing legislation on this important issue.